



Ferry Tolling

Joint Legislative Transportation Oversight Committee

February 10, 2012

*Paul Morris, Deputy Secretary of Transit
NCDOT*



Legislative Directive

The Appropriations Act of 2011 (HB 200) stated that the Board of Transportation shall,

- no later than April 1, 2012
- “establish tolls for all ferry routes, except for the Ocracoke / Hatteras Ferry and the Knotts Island Ferry”
- “consider the needs of commuters and other frequent passengers ”
- generate an annual revenue of \$5.0 million





Methodology

- Created a traffic & revenue model
based on ridership and gathered survey results
- Developed three models
 - **National Parity Model**
Average national price per mile (on all 7 routes & 5 directive routes)
 - **System Parity Model**
Tolling all seven routes
 - **Directive Model**
Tolling the five directive routes



National Parity Model

Provides baseline for comparison with other ferry systems

Based on the national tolling average price (\$2.00 per crossing mile)

Total revenue \$12.26 million, with all routes

Total revenue \$8.46 million, with directive routes (w/out Hatteras & Knotts Island)

	Cherry Branch		Bayview		Southport		Sound Routes	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$3	0	\$3	1	\$10	1
Passenger	\$1	0	\$3	0	\$3	0	\$10	0
Bicycle	\$2	0	\$5	0	\$5	2	\$20	3
Motorcycle	\$3	0	\$7	0	\$7	3	\$30	10
< 20 feet	\$4	0	\$10	0	\$10	5	\$50	15
20 feet - 40 feet	\$8	0	\$20	0	\$20	10	\$100	30
>40 feet	\$20	0	\$50	0	\$50	15	\$250	45
Commuter Pass	\$600	**	\$600	**	\$600	**	\$600	**

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length

System Parity Model

Provides baseline for comparison if all routes are tolled

Tolling all seven routes (approximately \$0.80 - \$1.00 per crossing mile)

Total revenue \$5.0 million

	Cherry Branch		Bayview		Southport		Sound Routes	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$0.50	0	\$1	0	\$1	1	\$5	1
Passenger	\$0.50	0	\$1	0	\$1	0	\$5	0
Bicycle	\$0.75	0	\$2	0	\$2	2	\$10	3
Motorcycle	\$1	0	\$3	0	\$3	3	\$15	10
< 20 feet	\$2	0	\$4	0	\$4	5	\$25	15
20 feet - 40 feet	\$4	0	\$8	0	\$8	10	\$50	30
>40 feet	\$6	0	\$12	0	\$12	15	\$75	45
Commuter Pass	\$200	**	\$200	**	\$200	**	\$200	**

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length

Directive Model

Per HB 200 tolling only five routes (approximately \$1.20 - \$2.00 / crossing mile)

Total revenue \$5.0 million in FY 2012-2013

	Cherry Branch		Bayview		Southport		Sound Routes	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$2	0	\$2	1	\$5	1
Passenger	\$1	0	\$2	0	\$2	0	\$5	0
Bicycle	\$2	0	\$3	0	\$3	2	\$10	3
Motorcycle	\$2.5	0	\$5	0	\$5	3	\$15	10
< 20 feet	\$4	0	\$10	0	\$10	5	\$25	15
20 feet - 40 feet	\$8	0	\$20	0	\$20	10	\$60	30
>40 feet	\$12	0	\$30	0	\$30	15	\$90	45
Commuter Pass	\$400	**	\$400	**	\$400	**	\$400	**

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length



Model Summary

- **National Parity Model**
 - revenue exceeds the need
 - requires fares to increase dramatically
 - fails the elasticity test

- **System Parity Model**
 - meets revenue need
 - does not meet the directive (all seven routes are tolled)
 - passes the elasticity test

- **Directive Model**
 - meets revenue need
 - meets the directive (only five routes are tolled)
 - passes the elasticity test
 - base for developing pricing options



Pricing Option One

- New pricing structure for Southport and Sound Routes
- Start charging for Cherry Branch and Bayview Routes
- Start charging for each passengers in a vehicle

	Cherry Branch		Bayview		Southport		Sound Routes *	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$2	0	\$2	1	\$5	1
Passenger	\$1	0	\$2	0	\$2	0	\$5	0
Bicycle	\$2	0	\$3	0	\$3	2	\$10	3
Motorcycle	\$2.5	0	\$5	0	\$5	3	\$15	10
< 20 feet	\$4	0	\$10	0	\$10	5	\$25	15
20 feet - 40 feet	\$8	0	\$20	0	\$20	10	\$50	30
>40 feet	\$12	0	\$30	0	\$30	15	\$75	45
Commuter Pass	\$400	**	\$400	**	\$400	**	\$400	**

* Cedar Island and Swan Quarter

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length

Pricing Option Two

Different from Option One

- No charge for passengers in a vehicle
- Difference is balanced from other fares (shown in blue)

	Cherry Branch		Bayview		Southport		Sound Routes *	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$2	0	\$2	1	\$5	1
Passenger	0	0	0	0	0	0	0	0
Bicycle	\$2	0	\$3	0	\$3	2	\$10	3
Motorcycle	\$3	0	\$5	0	\$5	3	\$15	10
< 20 feet	\$7	0	\$12	0	\$12	5	\$30	15
20 feet - 40 feet	\$15	0	\$25	0	\$25	10	\$60	30
>40 feet	\$25	0	\$50	0	\$50	15	\$90	45
Commuter Pass	\$500	**	\$500	**	\$500	**	\$500	**

* Cedar Island and Swan Quarter

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length

Pricing Option Three

Different from Option One

- Scaled price for a single route Commuter Pass (lower prices for shorter routes)
- Difference is balanced from vehicles on Sound Routes (shown in blue)

	Cherry Branch		Bayview		Southport		Sound Routes *	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$2	0	\$2	1	\$5	1
Passenger	\$1	0	\$2	0	\$2	0	\$5	0
Bicycle	\$2	0	\$3	0	\$3	2	\$10	3
Motorcycle	\$2.5	0	\$5	0	\$5	3	\$15	10
< 20 feet	\$4	0	\$10	0	\$10	5	\$27	15
20 feet - 40 feet	\$8	0	\$20	0	\$20	10	\$50	30
>40 feet	\$12	0	\$30	0	\$30	15	\$75	45
Commuter Pass	\$150	**	\$200	**	\$200	**	\$300	**

* Cedar Island and Swan Quarter

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet

** Commuter assumed to continue to be scaled based on vehicle length

Pricing Option Four

Different from Option One

- No charge for passengers in a vehicle
- Scaled price for a single route Commuter Pass (lower prices for shorter routes)
- Difference is balanced from other fares (shown in blue)

	Cherry Branch		Bayview		Southport		Sound Routes *	
Class Fare	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
Pedestrian	\$1	0	\$2	0	\$2	1	\$5	1
Passenger	\$0	0	\$0	0	\$0	0	\$0	0
Bicycle	\$2	0	\$3	0	\$3	2	\$10	3
Motorcycle	\$3	0	\$5	0	\$5	3	\$15	10
< 20 feet	\$7	0	\$12	0	\$12	5	\$33	15
20 feet - 40 feet	\$15	0	\$25	0	\$25	10	\$60	30
>40 feet	\$25	0	\$50	0	\$50	15	\$90	45
Commuter Pass	\$150	**	\$200	**	\$200	**	\$300	**

* Cedar Island and Swan Quarter

** Current Commuter Pass: \$150 for < 20 feet, \$200 for 20 feet - 40 feet & \$250 for >40feet**
Commuter assumed to continue to be scaled based on vehicle length



Public Outreach

Held four public meetings:

- Ocracoke, Wednesday, Jan. 18, 2012
- Washington, Thursday, Jan. 19, 2012
- Morehead City, Thursday, Jan. 30, 2012
- Southport, Tuesday, Jan. 31, 2012

Fifth public meeting scheduled

- Pamlico Wednesday, Feb. 15

Public Hearing TBD





Public Outreach

Extensive public outreach via all forms of communications:

- Web page with all information
- Distributed media advisories/press releases
- Established feedback process
 - Web submission
 - Written submission
 - Email submission
 - Verbal (public meetings)





Necessary Short-Term Enhancements

Cherry Branch

- Construct one booth
- Hire four employees (two per shift, 7 days on/off) \$121,808 annually

Minnesott Beach

- Construct one booth
- Hire four employees (two per shift, 7 days on/off) \$121,808 annually





Necessary Short-Term Enhancements

Pamlico River/Bayview

- Construct one booth
- Hire four employees (two per shift, 7 days on/off) \$111,424 annually

Pamlico River/Aurora

- No new booth
- Tolls collected at Bayview location





Necessary Short-Term Enhancements

One-time expenditures for new toll collection:

• Construct three booths:	\$51,500
• Install/enhance utilities credit card processing ability:	\$11,871
• <u>Signage:</u>	<u>\$ 3,600</u>
TOTAL	\$55,100

- Road modifications/traffic configurations will be addressed by Division One





Revenue vs. Collection Costs

Quarter	Revenue	Costs	Total
4Q 2012	\$1,715,957	\$320,019	\$1,395,938
1Q 2013	\$2,010,000	\$260,334	\$1,749,752
2Q 2013	\$800,930	\$268,571	\$532,359
3Q 2013	\$450,369	\$248,555	\$201,814
4Q 2013	\$1,715,957	\$264,919	\$1,451,038





Toll Collection Long Term Objective

All Electronic Collection:

- Benefits:
- Reduced labor costs
- More enhanced internal controls/tracking
- Reduced long-term expenditures
- Ridership convenience (seamless experience)

Challenges:

- Installation costs
- Longer implementation time frame
- Maintenance and warranty costs
- Limited or Non-Existent Equipment Failure Options

